

ORIGINAL



BEFORE THE ARIZONA CORPORATION COMMISSION

Arizona Corporation Commission

254

COMMISSIONERS

2007 JAN 24 A 11: 53

DOCKETED

JAN 24 2007

JEFF HATCH-MILLER, Chairman  
WILLIAM A. MUNDELL  
MIKE GLEASON  
KRISTIN K. MAYES  
GARY PIERCE

AZ CORP COMMISSION  
DOCUMENT CONTROL

DOCKETED BY	<i>MM</i>
-------------	-----------

IN THE MATTER OF THE APPLICATION OF  
JOHNSON UTILITIES COMPANY, L.L.C. FOR  
AN EXTENSION OF ITS EXISTING  
CERTIFICATE OF CONVENIENCE AND  
NECESSITY FOR WATER AND WASTEWATER  
SERVICE.

DOCKET NO. WS-02987A-04-0288

PROCEDURAL ORDER

**BY THE COMMISSION:**

On October 25, 2006, the Arizona Corporation Commission ("Commission") issued Decision No. 68237 which granted Johnson Utilities Company ("JUC") an extension of its Certificate of Convenience and Necessity ("Certificate") to provide public water and wastewater utility service to various parts of Pinal County, Arizona.

Decision No. 68237 required JUC, among other things, to "procure a \$500,000 performance bond, with proof of such performance bond filed in Docket Control, as a compliance item in this docket, prior to retail service being provided to any customers in the CC&N extension area."

On March 14, 2006, JUC filed an Application to Amend Decision No. 68237. In its Application, JUC stated that it had obtained a Letter of Credit for \$500,000 in lieu of a performance bond and therefore seeks an amendment to Decision No. 68237 to allow substitution of the Letter of Credit for the Performance Bond.

By Procedural Order issued August 11, 2006, a hearing was scheduled for August 25, 2006 regarding JUC's request.

The hearing was held, as scheduled, on August 25, 2006.

On October 19, 2006, a Recommended Opinion and Order was issued.

On October 30, 2006, the Company filed Motion Requesting a Procedural Conference due to concerns it had with certain language in the Recommended Order. Due to these concerns, JUC decided to obtain a performance bond in the amount of \$500,000 thereby, in effect, withdrawing its

1 request to substitute a letter of credit for the original performance bond requirement. JUC filed proof  
2 of the performance bond on December 4, 2006 and indicated that the letter of credit it acquired from  
3 National Bank of Arizona will expire on January 5, 2007, at the conclusion of its one-year term.

4 On November 28, 2006, a Procedural Order was issued scheduling a procedural conference  
5 for December 12, 2006. During the December 12, 2006 procedural conference, JUC indicated that,  
6 having obtained the required performance bond, the Company is now in full compliance with  
7 Decision No. 68237 and therefore the docket should be closed. Staff agreed with JUC's request to  
8 close the docket based on the Company's compliance with the prior Decision

9 JUC filed a formal request for administrative closure on December 13, 2006.

10 On December 19, 2006, Staff filed a Response reiterating Staff's comments made at the  
11 December 12, 2006 procedural conference in support of administrative closure. Staff also indicated  
12 that it may request that the evidentiary record developed in this docket be incorporated into the record  
13 of further (generic) proceedings through which the Commission considers the issue of whether it is  
14 appropriate to permit public service corporations to substitute an irrevocable letter of credit as  
15 security in matters which have typically involved a Commission-imposed performance bond  
16 requirement.

17 IT IS THEREFORE ORDERED that the Company's Application for Administrative Closure  
18 is hereby granted and accordingly, **Docket No. WS-02987A-04-0288 is administratively closed.**

19 DATED this 24<sup>th</sup> day of January, 2007

20 

21 DWIGHT D. NODES  
22 ASSISTANT CHIEF ADMINISTRATIVE LAW JUDGE

23  
24 Copies of the foregoing mailed/delivered  
this 24<sup>th</sup> day of January, 2007 to:

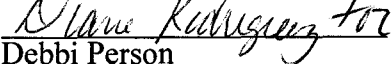
25  
26 Richard L. Sallquist  
SALLQUIST & DRUMMOND  
27 4500 S. Lakeshore Drive, Ste. 339  
Tempe, AZ 85282  
28 Attorneys for Johnson Utilities Company, LLC

1 Brian Tompsett, Exec. Vice President  
2 Johnson Utilities Company, LLC  
3 5230 East Shea Blvd.  
4 Scottsdale, AZ 85254

5 Sheryl A. Sweeney  
6 Michele L. Van Quathem  
7 RYLEY CARLOCK & APPLEWHITE, P.A.  
8 One N. Central Ave., Suite 1200  
9 Phoenix, AZ 85004  
10 Attorneys for Pulte Home Corporation

11 Christopher Kempley, Chief Counsel  
12 Legal Division  
13 ARIZONA CORPORATION COMMISSION  
14 1200 West Washington Street  
15 Phoenix, Arizona 85007

16 Ernest Johnson, Director  
17 Utilities Division  
18 ARIZONA CORPORATION COMMISSION  
19 1200 West Washington Street  
20 Phoenix, Arizona 85007

21 By:   
22 Debbi Person  
23 Secretary to Dwight D. Nodes  
24  
25  
26  
27  
28